
UPP (BROADGATE PARK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

UPP (BROADGATE PARK) LIMITED

COMPANY INFORMATION

Directors	M Swindlehurst H Gervaise-Jones
Registered number	04647260
Registered office	First Floor 12 Arthur Street London EC4R 9AB
Independent auditor	KPMG LLP Chartered Accountants and Statutory Auditor 15 Canada Square London E14 5GL

UPP (BROADGATE PARK) LIMITED

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UPP (BROADGATE PARK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Business review

The project comprises the operation of a new build and estate transfer of 2,216 student residential accommodation bedrooms within the University of Nottingham main campus.

The principal activities of the Company during the year continued to be the operation of student accommodation.

The level of business, achieving budgeted occupancy, and the year-end financial position were in accordance with the Directors' expectations. The Directors anticipate that the future level of activity will be in accordance with their expectations and consider that the project will yield returns in line with current forecasts.

Despite the considerable impact on UK higher education ('HE') wrought by the COVID-19 pandemic and the impact of Brexit, the sector has maintained its position as the leading global destination for students after the USA. UCAS applicant data issued following the 30 June 2020 main scheme deadline identifies continued growth in demand of 2% overall or the equivalent of more than 14,000 extra applicants on the previous cycle.

This deadline saw applications from approximately 653,000 prospective students. Applicant numbers from the UK were up by 2%, a 7,980 increase on the 2019/20 cycle, however there was a decline in applicants from EU countries of 2%, the equivalent of 1,000 students. The number of applicants from outside the EU witnessed strong growth at 10%, an increase of 7,790 new prospective international students. The data also identified the continuing increase in the rate of application from 18-year-olds. This cohort has seen year on year increases over the last decade from 34.7% in 2012 to 38.9% in 2019. This figure increased again during the 2020 cycle to 40.5% of the 18-year-old population. This is positive news for the Company as this is by far the largest demand cohort for its accommodation.

With the deadline for Brexit extended until 31 January 2020, the exit of the United Kingdom from the European Union (EU) continues to cast uncertainty across numerous sectors of the economy. Whilst there have been some concerns how this might impact EU and International student enrolment post-Brexit, demand modelling by the Higher Education Policy Institute and London Economics suggests any fall in EU numbers will be largely offset by an increase in the population of International students; an estimated net fall in the full time student population of 0.6 per cent.

The Board remains cognisant of the attendant risks relating to this process and will continue to actively manage these where they arise.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Principal risks and uncertainties

Financial risk management objectives and policies

The Company uses various financial instruments including loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations. All of the Company's financial instruments are of Sterling denomination and the group does not trade in financial instruments or derivatives.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below. The directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The Company finances its operations through a mixture of retained profits, related party borrowings and bank borrowings. The company's exposure to interest rate fluctuations on its bank borrowings is managed by the use of interest swaps which fix variable interest rates for a period of time.

Inflation risk

Growth in rental income received is linked to the movement in RPI and the Group manages the exposure to this index through a mix of inflation linked debt on-lent from the fellow group undertaking and the use of RPI swaps to hedge a portion of the fixed rate on-loan servicing costs

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and debt servicing and to invest cash assets safely and profitably.

Demand risk

The Company is subjected to risks arising from occupancy voids and lack of nominations by the university partner which can lead to uncertain revenues. This risk is managed by cementing relationships with the university, improved marketing of accommodation and improved third party revenues to compensate for any shortfalls in rental income.

Portfolio risk

The assets of the Company are in the student market and reduced student numbers could impact upon financial performance. The Company seeks to mitigate this risk by building excellent long term relationships with its university partner and ensuring up to date in depth market analysis is completed each period to enable the Company to review its strategic position.

UPP (BROADGATE PARK) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Financial key performance indicators

The following are considered by the directors to be indicators of average performance of the Group that are not necessarily evident from the financial statements but provide insight into the quality of underlying cash flows for the borrowers.

	2019/20	2018/19
Average Applications : Acceptance ratio	7.4:1	7.6:1
Average core demand pool (no. of students)	24,695	24,380

The indicators above are directly related to performance of the university partner of the Group and any changes in these statistics may potentially affect the performance of the Group and in turn, the economic viability of this company.

The directors also monitor the occupancy levels of the student accommodation facilities.

	2019/20	2018/19
Average occupancy across the facilities	98.8%	100.0%

The target occupancy level is 98-99%, as such the directors are satisfied that the movements noted above are within tolerable limits for the recovery of credit extended to the Group. In addition, the Group met its on-loan obligations in the period.

The Company has to adhere to financial covenants on the associated senior debt financial instruments, such as debt service cover ratio. All of the financial covenants have been met during the financial year.

This report was approved by the board on 14 December 2020 and signed on its behalf.



H Gervaise-Jones
Director

UPP (BROADGATE PARK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their report and the financial statements for the year ended 31 August 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial risk management objectives and policies

The Company's financial risk management objectives and policies are considered to be of strategic significance and are therefore detailed in the Strategic Report on page 2.

UPP (BROADGATE PARK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Going concern

In preparing these financial statements, the Directors have considered the impacts of the COVID-19 pandemic on the ability of the Company to continue as a going concern by preparing a cash flow forecast for 12 months after the signing of these financial statements modelling a severe but plausible downside scenario. Whilst this situation is likely to generate continued uncertainty, the Directors are confident that the robust nature of the business model and its many credit-positive features will enable the Company to mitigate many of the risks arising. Notwithstanding this they recognise that the situation may give rise to as yet unidentified and unquantifiable risks.

As with many other industry sectors, from the end of March 2020, UK higher education has been dealing with the impact of the COVID-19 pandemic, with universities ordered to close and many students choosing to return home rather than remain in residence. Given the key features of the UPP business model, and specifically the passing of credit and void risk to partner institutions, the impact of restrictions imposed as a result of the pandemic, have been largely mitigated for the financial year ending 31 August 2020. The Directors of the Company consider the impact of COVID-19 to be a non-adjusting event, however, recognise the inherent uncertainties of the ongoing situation. On this basis, they are unable to provide a quantitative estimate of the impact of as yet uncrystallised risks.

At 31 August 2020, the company has net liabilities of £769k. The directors have received a letter of support and confirmation from the company's parent undertaking, UPP (Broadgate Park) Holdings Limited that financial support will be provided to the company, such that it is able to meet its liabilities as they fall due, for a period of not less than twelve months from the date of approval of these financial statements.

On this basis, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than twelve months from the date of approval of these financial statements, and therefore continue to adopt the going concern basis in preparing these financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £157k (2019 - loss £366k).

The directors did not declare any dividends for the year (2019: £nil).

UPP (BROADGATE PARK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Directors

The directors who served during the year were:

R Bienfait (resigned 31 January 2020)
H Gervaise-Jones
M Swindlehurst

Future developments

Occupancy for the 2020/21 financial year has been secured at 91%.

Qualifying third party indemnity provisions

During the year and up to the date of this report, the Company maintained liability insurance and third-party indemnification provisions for its directors, under which the Company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities of the Company.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

KPMG LLP was appointed in the year as auditor of the Company in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14 December 2020 and signed on its behalf.



H Gervaise-Jones
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UPP (BROADGATE PARK) LIMITED

Opinion

We have audited the financial statements of UPP (Broadgate Park) Limited ("the company") for the year ended 31 August 2020 which comprise the profit and loss account, statement of comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- and have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UPP (BROADGATE PARK) LIMITED

- and in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

UPP (BROADGATE PARK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UPP (BROADGATE PARK) LIMITED

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Craig Steven-Jennings (Senior statutory auditor)

for and on behalf of

KPMG LLP

Chartered Accountants
Statutory Auditor

15 Canada Square
London
E14 5GL
15 December 2020

UPP (BROADGATE PARK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Turnover	4	12,603	12,420
Cost of sales		(3,589)	(3,592)
Gross profit		9,014	8,828
Administrative expenses		(8,911)	(9,264)
Operating profit/(loss)		103	(436)
Interest receivable and similar income	7	67	70
Profit/(loss) before tax		170	(366)
Tax on profit/(loss)	8	(13)	-
Profit/(loss) for the financial year		157	(366)
Total comprehensive income/(loss) for the year		157	(366)

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 13 to 21 form part of these financial statements.

There was no other comprehensive income for 2020 (2019: £nil).

All amounts relate to continuing operations.

UPP (BROADGATE PARK) LIMITED
REGISTERED NUMBER: 04647260

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Current assets			
Debtors: amounts falling due within one year	9	7,243	5,231
Cash at bank and in hand	10	430	323
		<u>7,673</u>	<u>5,554</u>
Creditors: amounts falling due within one year	11	(8,455)	(6,493)
Net current liabilities		<u>(782)</u>	<u>(939)</u>
Total assets less current liabilities		<u>(782)</u>	<u>(939)</u>
Net liabilities		<u>(782)</u>	<u>(939)</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account	14	(782)	(939)
		<u>(782)</u>	<u>(939)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 December 2020.



H Gervaise-Jones
Director

The notes on pages 13 to 21 form part of these financial statements.

UPP (BROADGATE PARK) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2020

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 September 2019	-	(939)	(939)
Profit for the year	-	157	157
At 31 August 2020	-	(782)	(782)

The notes on pages 13 to 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2019

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 September 2018	-	(573)	(573)
Loss for the year	-	(366)	(366)
At 31 August 2019	-	(939)	(939)

The notes on pages 13 to 21 form part of these financial statements.

UPP (BROADGATE PARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

UPP (Broadgate Park) Limited is a private company limited by shares incorporated in England, with company number 04647260. The registered office is First Floor, 12 Arthur Street, London, EC4R 9AB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£), which is the Company's functional currency, rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

Notwithstanding net current liabilities of £782k as at 31 August 2020, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts through to 31 August 2022 which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its intermediate parent company, UPP Group Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on UPP Group Limited providing additional financial support during that period. UPP Group Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 Turnover

Rent receivable is recognised on a straight line basis of the amount receivable in respect of the rental period. Amounts received in advance are included within deferred income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Impairment is determined by making an estimate of the likely recoverable value of short term debtors by considering factors such as the credit rating, the aging profile and the historic experience of the respective debtor.

2.5 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of UPP (Broadgate Park) Holdings Limited as at 31 August 2020 and these financial statements may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.8 Current and deferred taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is calculated on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Group relief is only accounted for to the extent that a formal policy is in place at the reporting period end. Where no policy is in place, current and deferred tax is measured before benefits which may arise from a formal group relief policy.

2.9 Related party transactions

The Company is a wholly owned subsidiary of UPP (Broadgate Park) Holdings Limited which is a wholly owned subsidiary of the ultimate parent company UPP REIT Holdings Limited and as such the company has taken advantage of the terms of FRS 102.33.1A not to disclose related party transactions which are eliminated on consolidation.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and assumptions are reviewed on an on-going basis with revisions recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant judgements to disclose for the current year.

4. Turnover

Turnover represents income, on the basis of accounting policy 2.3, excluding VAT, attributed to the provision of student accommodation.

	2020 £000	2019 £000
Provision of student accommodation	12,603	12,420
	<u>12,603</u>	<u>12,420</u>

All turnover arose within the United Kingdom.

5. Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	14	14
	<u>14</u>	<u>14</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

UPP (BROADGATE PARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Employee and Director information

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	1,373	1,200
Social security costs	96	97
Cost of defined contribution scheme	64	114
	<u>1,533</u>	<u>1,411</u>

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. Total remuneration with respect of these individuals is £nil (2019: £nil).

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Site managers	8	7
Administration, maintenance and cleaning	59	56
	<u>67</u>	<u>63</u>

7. Interest receivable

	2020 £000	2019 £000
Bank interest receivable	67	70
	<u>67</u>	<u>70</u>

UPP (BROADGATE PARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Taxation

	2020 £000	2019 £000
Corporation tax		
Adjustments in respect of previous periods	13	-
	<u>13</u>	<u>-</u>
Total current tax	<u>13</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>13</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020 £000	2019 £000
Profit/(loss) on ordinary activities before tax	170	(366)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	32	(70)
Effects of:		
Adjustments in respect of prior years	13	-
Exempt property rental (profits)/losses in the year	(19)	83
Group relief	(13)	(13)
Total tax charge for the year	<u>13</u>	<u>-</u>

Factors that may affect future tax charges

UPP REIT Holdings Limited is a Real Estate Investment Trust ("REIT"). As a result, the Company no longer pays UK corporation tax on profits and gains from qualifying property rental business providing it meets certain conditions. Non-qualifying profits and gains continue to be subject to UK corporation tax as normal.

UPP (BROADGATE PARK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Debtors

	2020	<i>2019</i>
	£000	<i>£000</i>
Trade debtors	-	109
Amounts owed by group undertakings	7,243	5,117
Other taxation and social security	-	2
Prepayments and accrued income	-	3
	<u>7,243</u>	<u>5,231</u>

The amounts owed by group undertakings are repayable on demand and not subject to interest.

10. Cash and cash equivalents

	2020	<i>2019</i>
	£000	<i>£000</i>
Cash at bank and in hand	430	323
	<u>430</u>	<u>323</u>

11. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£000	<i>£000</i>
Trade creditors	32	244
Amounts owed to group undertakings	7,526	5,711
Other taxation and social security	3	-
Accruals and deferred income	894	538
	<u>8,455</u>	<u>6,493</u>

The amounts owed to group undertakings are amounts owed to UPP Residential Services Limited and are payable on demand.

UPP (BROADGATE PARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Financial instruments

	2020 £000	2019 £000
Financial assets		
Financial assets measured at amortised cost	<u>7,673</u>	<u>5,549</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(7,452)</u>	<u>(5,955)</u>

Financial assets measured at amortised cost comprise cash, trade debtors, amounts owed by group undertakings which is repayable on demand.

Financial Liabilities measured at amortised cost comprise trade creditors and amounts owed to group undertakings.

13. Share capital

	2020 £000	2019 £000
Authorised, allotted, called up and fully paid		
2 (2019 - 2) Ordinary shares of £1.00 each	<u>-</u>	<u>-</u>

The Ordinary shares have the rights and restrictions as set out in the amended Articles of Association of the Company.

14. Reserves

Profit and loss account

The reserve consists of current and prior year profit and loss.

UPP (BROADGATE PARK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

15. Parent undertaking and controlling party

The Company's immediate parent undertaking (Broadgate Park) Holdings Limited.

UPP (Broadgate Park) Holdings Limited is wholly owned by UPP Bond 1 Limited, a wholly owned subsidiary of UPP Bond 1 Holdings Limited,

UPP Bond 1 Holdings Limited is a wholly owned subsidiary of UPP REIT Holdings Limited.

UPP REIT Holdings Limited is controlled by a 60% stake held by PGGM Vermogensbeheer BV ("PGGM"), a company incorporated in The Netherlands.

It is the directors' opinion that PGGM is the ultimate controlling party.

The smallest group of which the Company is a member and for which group accounts are prepared is UPP (Broadgate Park) Holdings Limited.

The largest group of which the Company is a member and for which group accounts are prepared is UPP REIT Holdings Limited.

Copies of the UPP (Broadgate Park) Holdings Limited accounts can be obtained from Companies House, Crown House, Cardiff CF14 3UZ, once they have been filed.

Copies of the UPP REIT Holdings Limited accounts can be obtained from www.upp-ltd.com, once they have been published.